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EC58-806 Farm Custom Rates Paid in Nebraska in 1957

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FARM CUSTOM RATES

Paid in Nebraska in 1957

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By Arlen Lutz, Eldon Erickson
and Jack Aschwege*

New labor-saving machines are being introduced each year to increase efficiency of crop production. Some farmers may not want to own all of the machines necessary to operate their farms for several reasons. High capital investment and shortage of labor are two of the major ones. Instead, they substitute the services of a custom operator who furnishes both the machine and the labor. This releases the farmer's resources for other uses that may be more profitable.

Farmers on both large and small farms do custom work to increase income by enlarging their volume of business. The use of large machines over greater acreage makes it possible for farmers to reduce the cost of ownership per unit. Since harvest seasons are relatively short, large machines can earn much more for the operator than small machines.

This year two sets of survey questionnaires were sent out to farmers to collect information on custom rates. The Agriculture Economics Department received replies from 250 custom operators and the State-Federal Division of Agriculture Statistics received reports from over 465 crop reporters throughout

the state. This information was combined to give a more complete coverage than has been possible in previous years.

1957 rates show some changes from those collected in 1956. The cost of applying fertilizer has decreased and the cost of harvesting corn and small grain has increased. In parts of the state where the crop was difficult to harvest, charges for combining were two to three times higher than the average rate. General tillage machines show only a slight increase in cost per acre but field cutters show an increase of nearly 15% over 1956. More reports were received on hourly rates this year than last year. Where harvest conditions are difficult or the crop yield is high, hourly rates seem to be more widely used.

The rates presented in the following table are not necessarily the rates that should be charged; rather they are the rates that were charged in 1957. The average and most common rates found in the survey in 1957 are shown.

* Agricultural Agent, Extension and Agricultural Statistician, respectively.

	Avg.	Most Common	Rate Per Acre Usual Range	Avg.	Most Common	Other Rates Usual Range
GENERAL TILLAGE MACHINES						
Plowing	\$ 3.00	\$ 3.00	\$ 1.50- 5.00			
Oneway	1.80	3.00	1.50- 5.00			
Disc, single	1.00	1.00	.50- 2.25			
Disc, tandem	1.40	1.50	.50- 3.00			
Harrow, spike	.65	.50	.30- 3.00			
Harrow, spring	1.15	1.00	.50- 2.00			
Subtiller	1.75	1.50	1.00- 2.50			
Chisel	1.80	1.50	1.00- 5.00			
Stalkcutter	1.00	1.00	.25- 1.50			
Stalkcutter, power	1.50	2.00	.25- 3.00			
Rod Weeder	1.00	1.00	.50- 2.00			
Rotary hoe	.80	1.00	.25- 2.00			
Land roller	.70	1.00	.15- 1.00			
SMALL GRAIN						
Drill, no attachment	1.15	1.00	.25- 3.00			
Drill, fertilizer attach.	1.30	--	.75- 2.00			
Drill, grass seed attach.	1.25	1.25	.50- 3.00			
Windrower	1.70	1.50	.75- 7.00			
Combine	4.40	4.00	2.00- 7.00			
CORN MACHINES						
Corn planter	1.20	1.00	.25- 2.50			
Lister	1.70	1.50	1.00- 2.50			
Go devil	1.20	1.00	.50- 2.50			
Cultivator	1.25	1.25	.75- 3.00			
Cultivator, fertilizer attach.	1.60	1.50	1.00- 2.50			
Corn picker	4.60	4.00	2.50-10.00			
Picker-sheller	6.00	5.00	2.50-15.00	.12	Rate Per Bushel .12	.12- .15
Hauling to crib and elevating				2.00	Rate Per Hour 2.00	1.00- 3.00
Field cutter	6.40	5.00	3.00-15.00	7.25	8.00	4.00-12.00
Shelling				.03	Rate Per Bushel .02	.015- .03
Haul to silo and fill with blower	2.00	2.00	--	2.50	Rate Per Hour 2.50	1.00- 4.00
HAYING						
Mower	1.25	1.00	.75- 3.50			
Rake, side-delivery	1.00	1.00	.20- 3.50			
Rake, dump	.75	1.00	.25- 1.25			
Haysweep				2.50	Rate Per Hour 3.00	2.00- 5.00
Hayloader				2.60	2.50	1.50- 3.50
Stacker, tractor mounted				3.75	Rate Per Hour 4.00	2.00- 6.00
Chopper, field	6.30	5.00	3.00-10.00			
Blower				1.75	Rate Per Hour --	1.50- 2.00

	Avg.	Rate Per Acre		Avg.	Other Rates	
		Most Common	Usual Range		Most Common	Usual Range
SUGAR BEETS						
Planter	1.60	1.50	.50- 2.50			
Cultivator	1.40	1.25	1.00- 2.00			
Thinner	1.20	1.00	1.00- 2.00			
Harvester	2.20				Rate Per Ton --	1.25- 6.00
POTATOES						
Planter	1.30	2.00	1.00- 2.00			
Digger	4.00	4.50	2.50- 5.00			
DRY BEANS						
Planter	1.40	2.00	.50- 2.00			
Cultivator	1.45	1.50	1.00- 2.00			
Cutter or puller	3.00	3.00	--			
Thresher	.22				Rate Per Bushel .25	.15- .25
Combine	.22				.25	.12- .25
MISCELLANEOUS						
Tractor					Rate Per Hour	
2 plow	3.00	--	1.00- 4.50	2.00	--	1.00- 3.50
3 plow	3.00	3.50	.50- 4.00	3.00	3.00	1.00- 4.00
4-5 plow	3.00	2.50	1.75- 3.50	3.60	3.00	1.00- 6.00
Farmhand				3.40	3.00	1.00- 7.00
Manure loader				3.30	3.00	1.00- 7.50
Wagon				.70	.50	.25- 1.00
Post hole digger				.10	Rate Per Hole .10	.05- .20
Elevator, portable				.01	Rate Per Bushel .01	.005- .03
Grain auger				.01	.01	.005- .02
Grass seeder	.85	.50	.25- 1.50		Rate Per Hour	
Land float	3.40	2.00	1.50-11.00	3.00	--	1.00- 5.00
FERTILIZER SPREADER						
Anhydrous (without chemical)	1.50	1.50	.10- 3.50			
Other (without chemical)	1.00	1.00	.15- 1.75			
SPRAYING						
Weeds (without chemical)	1.00	1.00	.40- 2.75			
Insects (without chemical)	1.00	1.00	.50- 2.00			
PICK-UP BAILING (Dropped)*						
		Rate Per Bale			Rate Per Ton	
Square						
Wire	.14	.14	.10- .16	4.40	4.00	3.50- 5.00
Twine	.12	.10	.06- .20	4.50	4.00	4.00- 6.00
Round						
Twine	.10	.10	.07- .20	3.00	2.00	2.00- 4.00
Baler, Stationary	.125	.10	.10- .20	4.70	4.00	4.00- 6.50

* .01¢ additional was charged when bales were carried on a wagon.

CONSIDER THESE ADVANTAGES AND
DISADVANTAGES OF CUSTOM SERVICE

Advantages

1. Costs of ownership are eliminated.
2. Capital required to own equipment can be invested in other enterprises.
3. Some labor is furnished with hired equipment.
4. Less power and associated equipment must be obtained by the farm operator.
5. Farmers may benefit from newer machinery, techniques and skilled operation.
6. Repairs, maintenance and securing materials is the custom operator's responsibility.
7. Farm operator with smaller jobs can gain benefits of large machines.
8. Risk of premature equipment obsolescence is eliminated.

Disadvantages

1. Service may not be available when job is ready.
2. Irresponsible custom operators may do poor work and lose quantity and quality of products.
3. Greater risk of crop loss and/or quality because of time delays.
4. Risk of carrying noxious weeds and diseases from farm to farm.
5. For large jobs total cost may be higher than owning equipment.
6. Custom operators prefer large jobs, may refuse or postpone small jobs.
7. Farmers may not be able to realize return on labor released by hiring custom work done.

Frank Cullington
Blue Springs